



## CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Status of GrapeLine Buses

MEETING DATE: January 4, 1995

SUBMITTED BY: Assistant City Manager

RECOMMENDED ACTION: No recommendations at this time. We are evaluating options and alternatives and will provide the City Council with appropriate courses of action under separate cover.

BACKGROUND INFORMATION: Council will recall that an order for five buses for the GrapeLine was placed with El Dorado Bus Sales of Foster City. In September the bus company notified us that they would not be able to meet the October delivery date, but would provide the City with loaner buses. El Dorado Bus Sales did notify the City shortly after that that they had found two bus chassis and bodies and would be able to provide us with two of the five buses.

On Tuesday, December 20, the two buses were delivered. Upon initial inspection, we found they did not meet the specifications in some significant ways. We have notified El Dorado Bus Sales of this fact and we are reviewing our options and alternatives. I am enclosing a copy of a letter (Exhibit A) Dennis Callahan prepared which lists the deficiencies. Some of these are very minor and can be rectified in short order. The major problem is that our specifications called for metal bones, and the ones delivered were fiberglass.

We will be in close communication with El Dorado Bus Sales as to courses of action that can be taken and have notified the second low bidder of the problem and ascertained that they can provide buses which meet our specifications by early March 1995. We will give the City Council a more comprehensive report and recommended courses of action at the Council meeting of January 4, 1995.

FUNDING: None required

Respectfully submitted,

Jerry L. Glenn  
Assistant City Manager

JG:br

CCOM-160/TXTA.07A

APPROVED: \_\_\_\_\_

THOMAS A. PETERSON  
City Manager



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CITY COUNCIL

JACK A. SIEGLOCK, Mayor  
STEPHEN J. MANN  
Mayor Pro Tempore  
RAY G. DAVENPORT  
PHILLIP A. PENNINO  
JOHN R. (Randy) SNIDER

# CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
P.O. BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 334-5634  
FAX (209) 333-6795

**EXHIBIT A**

THOMAS A. PETERSON  
City Manager  
JENNIFER M. PERRIN  
City Clerk  
BOB McNATT  
City Attorney

December 23, 1994

El Dorado Bus Sales, Inc.  
Attn: Wendell Samson and Jay Holzhuter  
1160 Chess Drive, Unit 1  
P. O. Box 4757  
Foster City, California 94404

Subject: Mid-Size Paratransit Buses Delivered December 21, 1994

Gentlemen:

This is a follow-up to my letter of December 22, 1994, advising you that the City of Lodi does not accept the two mid-size paratransit buses you delivered this week because of failure to meet specifications. The points or areas not meeting specifications were described in detail in my memo to the City Attorney (attached) which was faxed to you yesterday. The City is still considering its options and reserves all rights and remedies provided by law.

The City accepts no responsibility for these non-conforming vehicles, nor for any registering/licensing requirements and requests pursuant to California Commercial Code §2602(B) that you provide instructions for the return or disposition of the non-conforming vehicles. You can contact me at (209)333-6706.

Because of the holidays, a number of City staff members are unavailable, so a decision on the City's options will likely not be made until after January 1, 1995.

Sincerely,



DENNIS J. CALLAHAN  
Building & Equipment Maintenance Superintendent

DJC:pn

cc: City Council  
City Manager  
City Attorney

TRNST.B/TXTA.01V

DEC 22 1994

City Attorney's Office



**MEMORANDUM, City of Lodi, Public Works Department**

**To:** City Attorney ✓  
**From:** Building and Equipment Maintenance Superintendent  
**Date:** December 22, 1994  
**Subject:** Two Buses Received from El Dorado Bus Sales Not Meeting Our Specifications

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The first two of five buses ordered from El Dorado Bus Sales, Inc. were received at the MSC yesterday afternoon. These buses do not meet the specifications in the areas listed:

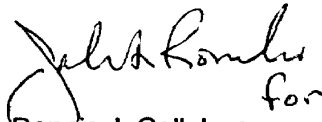
1. Spare tire/wheel, Page 4.5 of specifications, not provided.
2. The body construction, Page 4.6 of specifications, does not appear to have a body structure of 1" x 2" jig-welded steel tubing as required.
3. The wall construction, Page 4.6 of specifications, is not aluminum interior and exterior skin over a 1" x 2" 16-gauge, jig-welded steel body structure. The buses delivered are molded fiberglass only.
4. The entire floor assembly does not meet the specifications outlined on Page 4.7.
5. The stepwells and wheel housings, Page 4.8 of specifications, do not meet the specifications. The buses delivered appear to be fiberglass construction only.
6. The bumper, Page 4.8 of the specifications, is painted steel rather than stainless steel construction, is not a wraparound type, and does not have a full-length rubber bumper strip that was required.
7. The entry door, Page 4.8 of the specifications, is fiberglass construction, does not appear to have the steel-tubing frame required, and is mounted on piano-style hinges.
8. The seating capacity, page 4.10 of the specifications, required a minimum capacity of eleven adult passenger seats, plus one driver's seat, for a total of twelve seats. The buses delivered have only ten passenger seats and one driver's seat, for a total of eleven seats.
9. The rear passenger-area heater, Page 4.12 of the specifications, required one heater with a minimum of 62,000 BTU to heat the coach interior. Two smaller heaters were supplied.
10. Parts books, manuals and drawings, Page 4.18 of the specifications, were not provided as specified.

11. Seat grab handles, Page 4.18 of the specifications, are required to be chrome or stainless steel. The ones provided are molded plastic.
12. Decals, Page 4.19 of the specifications, required decals not in the two buses delivered: "No Smoking", "Seat Belts Required", and "This Bus Stops at All Railroad Crossings".

Additionally, Page 4.3 of the specifications lists a "Summary of Items to be Provided Upon Delivery". Most of these ten items were not done. A predelivery inspection, Pages 5.1 and 5.2 of the specifications, requires the vendor to perform a predelivery service, correct all deficiencies, and provide proof of such. This was not submitted.

There may be other areas as well that haven't yet been confirmed because, at this writing, we haven't had a chance to fully examine the undercarriage and floor assembly, nor were we able to test drive either of the vehicles. Our intent is to do so and, if further deficiencies are found, we will let you know.

These buses are not what the City anticipated and must be evaluated before they can be accepted. Please contact me immediately so we can discuss the City's recourse. If there is anything else you need, or questions I can answer, give me a call.

A handwritten signature in black ink, appearing to read "Dennis J. Callahan", with the word "for" written below it.

Dennis J. Callahan  
Building and Equipment Maintenance Superintendent

DJC/lm

cc: Assistant City Manager  
El Dorado Bus Sales, Jay Holzhuter  
Equipment Maintenance Supervisor  
Transit Coordinator Kirk Evans



## CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Status of GrapeLine Buses  
MEETING DATE: January 4, 1995  
SUBMITTED BY: Assistant City Manager

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RECOMMENDED ACTION: The City Council authorize the acceptance of the two buses received from El Dorado Bus Sales, cancel the remainder of the order and authorize the purchase of three buses from California Bus Sales, the second low bidder.

BACKGROUND INFORMATION: We have been in contact with both El Dorado Bus Sales and California Bus Sales concerning the purchase of buses for the GrapeLine. The recommended course of action may not please everyone. However, it does offer a solution to the City's problem with the least controversy and assures the continued operation of the GrapeLine.

The City has received proposals from both El Dorado Bus Sales and California Bus Sales. The El Dorado Bus Sales letter (Exhibit A) outlines four options. I want to make one thing clear relative to Option 1. Neither Dennis Callahan nor myself were led to believe that the buses to be delivered were anything other than what the City specified. We did not negotiate a change in specifications. What the City did negotiate were conditions pertaining to obtaining replacement vehicles and that the seating in the new buses would not be according to specifications, but when new seats came in they would be replaced.

Option 1 is not fair to the second low bidder in that they did not have the opportunity to bid on fiberglass bodies and the City does not have a firm delivery date.

Option 2 is open ended in that we do not know when the chassis will be delivered so we have no date when the buses will be delivered. It is estimated that the time could be around May 1, 1995. The City is reluctant to continue operating the loaner vehicles for another five plus months. We have experienced higher than anticipated maintenance costs. It seems we have at least one breakdown per day which has caused us to utilize Dial-a-Ride vehicles to keep on schedule. Gas consumption is such that the buses must refuel once per day. One of the five loaner vehicles has such severe differential problems that we have taken it out of service. This leaves us with no back up buses and makes us dependent on Dial-A-Ride vehicles.

APPROVED: \_\_\_\_\_

THOMAS A. PETERSON  
City Manager



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Status of GrapeLine Buses  
January 4, 1995  
Page Two

Option 3 is not what the City specified and again would be unfair to the second low bidder in that they were not given an opportunity to bid on a 1994 351 C.I.D.

Option 4 appears to be the most viable of the four options outlined. It allows the City to receive at least three vehicles that were specified. The City can continue with the use of the loaner vehicles which allows us to keep the GrapeLine in service and it will allow us to have a "real time" comparison of fiberglass vs. steel body buses.

There is quite a bit of controversy over fiberglass vs. steel body construction. It depends upon who you talk with and personal preference. Both types of bodies are used throughout the nation with varying degrees of success. We feel the steel body is superior which is why a steel body was specified, but this will give us a chance to evaluate the pros and cons of both.

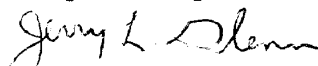
There are still some items that need to be worked out with El Dorado Bus Sales relative to some items that do not meet specifications, such as spare tires, manuals, seats, decals, and the like. We have been informed that those items will be taken care of and in most cases, was an oversight in the rush to get the buses delivered.

We have talked with California Bus Sales and informed them of our recommendation. Of course they would like to sell the City five buses, but in the interim have not offered a fail safe method of keeping the GrapeLine in service. They indicated that they would purchase five buses and lease them to the City at \$50.00 per day until the buses are delivered. However, California Bus Sales could not give us a definite date they could put those buses into service. They have indicated that they will sell us three buses at the same unit price as the five buses. Their letter dated January 4, 1995, (Exhibit B), details that they will provide buses to the City at the same price as the two buses currently on order for Dial-A-Ride.

I did authorize California Bus Sales to place an order December 29, 1994. I did this so that all of the City's options were available to us and as Mr. Terry stated, I did tell him I could not confirm this until January 5, 1995.

All parties are aware of this recommendation and each is having a piece of the pie. We fully realize that this is an unusual solution, but because of the unusual circumstances in which we find ourselves and the need to continue service to the public, this seems the most equitable solution. We strongly urge the City Council to authorize staff to implement the recommendations contained herein.

Respectfully submitted,



Jerry L. Glenn  
Assistant City Manager

JLG:br

Attachments  
CCOM-163/TXTA.07A

**EL DORADO BUS SALES, INC.**

P.O. Box 4757 • Foster City, CA 94404 • (415) 571-1977

January 3, 1995

Mr. Bob McNatt, City Attorney  
City of Lodi  
City Hall, 221 West Pine Street  
Lodi, CA 95241

Dear Mr. McNatt:

In response to your letter of December 22, 1994 and our meeting of January 3, 1995, here are the four options we discussed.

- 1) The order will remain as a "negotiated contract" from previous meetings with Dennis Callahan and Jerry Glenn. We will follow through with delivery of the remaining buses on order with the exceptions of the specs we talked about in today's meeting.
- 2) We will rebuild the units as specified using Evergreen Industries, and deliver within 45 days of receipt of the chassis.
- 3) We will build four units as specified on 1994 351 C.I.D. and deliver by March 1, 1995. We would continue to find a source for the fifth and final truck.
- 4) As suggested by the City of Lodi at today's meeting, the City will purchase two 1995 ElDorado Aerolite vehicles that you currently have in possession. In return, El Dorado Bus Sales, Inc. will allow the City to keep three of the five loaners at no cost (excluding maintenance and repair) until March 1, 1995. The City agrees to rent the vehicles for \$100.00 per day per vehicle after March 1, 1995.

Again, it is our goal to help get your new transit system up and running. Time has become of the essence, however, and we must have your answer by Friday, January 6, 1995.

Gentlemen, we do believe we have gone above and beyond standard operating procedures in trying to fulfill this contract. Your full consideration is appreciated.

Sincerely,



Wendell Samson  
President

cc: Dennis Callahan  
Jerry Glenn  
Kirk Evans

WS/ald



# CALIFORNIA BUS SALES

2716 S. Cherry Avenue  
Fresno, California 93706-5420  
(209) 266-0167

Sales 800-331-6183  
Fax (209) 266-0832  
Parts & Service 800-331-2500

January 4, 1995

City of Lodi  
Attn: Dennis Callahan  
Building & Equipment Maintenance Superintendent  
P.O. Box 3006  
Lodi, California 95241

Dear Dennis;

Again, thank you for allowing California Bus Sales & Terra Transit the opportunity to work with the City of Lodi in fulfilling your transportation needs.

Please accept this letter as our formal commitment to build and deliver five (5) additional Paratransit buses identical to the two (2) buses we are currently building for the City of Lodi as per your purchase order #2078.

These five (5) units will be built exactly like the two (2) units except the lettering will read "Grape-Line" instead of "Dial-a-Ride".

These units will meet your specification as per California Bus Sales bid proposal for two (2) Mid-Size Paratransit Buses dated August 25, 1994 and received by your office September 6, 1994.

As per my conversation with Mr. Jerry Glenn, Ass't City Manager, City of Lodi on 12-29-94 I ordered the additional five (5) buses from Terra Transit on 12-30-94.

Mr. Glenn indicated that he would not be able to get City Council approval until 1-4-95, if we are not able to get council approval, I will simply cancel the order with Terra-Transit.

The price on these additional five (5) will be the same as the two (2) units priced as follows:

BID PRICE PER BUS -	\$ 36,623.00
SALES TAX @ 7.75%	\$ 2,838.28
NON-TAXABLE ADA EQUIPMENT	\$ 5,739.00
ADDITIONAL OPTION-FAST IDLE	\$ 325.00
ADDITIONAL DUAL A/C COMP.	\$ 400.00
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TOTAL COST PER BUS	\$ 45,925.28

*'California's Premier Bus Distributor'*



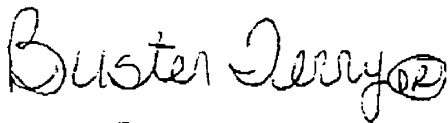
January 4, 1995  
Dennis Callahan  
Page 2 of 2

The two (2) buses presently on order will be delivered to the City of Lodi no later than 2-1-95, the additional five (5) buses will be delivered no later than 3-1-95. California Bus Sales & Terra-Transit are both committed to meeting these delivery dates.

Please advise me as to the status of this order as soon as possible Terra-Transit is working very diligently ordering parts & supplies for these buses in order to insure our January start date. If I have to cancel this order at a later date they are going to be upset with me.

If I can be of any further assistance please feel free to call our toll free number listed above.

Sincerely,

A handwritten signature in cursive script that reads "Buster Terry". The signature is written in dark ink and includes a circled "e" at the end.

Buster Terry  
Sales Manager

BT/dr  
cc: Arcadio J. Aguirre, Sales Manager